

City of Kensington

Kensington, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2018

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF KENSINGTON
Kensington, Kansas

For the Year Ended December 31, 2018

City Council

Judy Bates	JoAnn Rice
Max Kuhlmann	Don Dodds
Curtis Beach	

City Offices

David Wahl	Mayor
Amber Hardacre	City Clerk
Michelle Rust	City Treasurer
Michael-Shannon McDowell	Attorney

City of Kensington
Kensington, Kansas

For the Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Kensington
Kensington, Kansas 66951

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kensington, Kansas, a Municipality, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Kensington on the basis of financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Kensington, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Kensington, Kansas, as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2018 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the 2018 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 information has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

September 9, 2019
Phillipsburg, Kansas

CITY OF KENSINGTON
Kensington, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2018

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 53,379	\$ -	\$ 244,400	\$ 227,246	\$ 70,533	\$ 36,285	\$ 106,818
Special Purpose Funds							
Library Fund	-	-	6,876	6,876	-	-	-
Park & Recreation Fund	871	-	1,711	1,123	1,459	135	1,594
Special Highway Fund	4,691	-	12,096	6,935	9,852	1,918	11,770
Capital Improvements Fund	34,844	-	75,000	9,365	100,479	-	100,479
Capital Projects Fund							
Well Water Project Fund	(48,768)	-	99,164	55,396	(5,000) *	5,000	-
Business Funds							
Swimming Pool Fund	2,770	-	15,181	16,656	1,295	37	1,332
Water Fund	21,034	-	96,662	108,906	8,790	4,698	13,488
Sewer Fund	69,064	-	41,108	74,391	35,781	2,276	38,057
Solid Waste Fund	29,650	-	33,487	47,600	15,537	-	15,537
Total Financial Reporting Entity	<u>\$ 167,535</u>	<u>\$ -</u>	<u>\$ 625,685</u>	<u>\$ 554,494</u>	<u>\$ 238,726</u>	<u>\$ 50,349</u>	<u>\$ 289,075</u>

Composition of Cash:

Cash on Hand	\$ 40
Checking Account	200
NOW Account	191,911
CDs	<u>113,334</u>

Total Cash 305,485

Agency Funds Per Schedule 3 (16,410)

Total Financial Reporting Entity \$ 289,075

* See Note 3, Cash Basis Exception

The notes to the financial statement are an integral part of this statement.

CITY OF KENSINGTON
Kensington, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Kensington, Kansas, is a municipal corporation governed by an elected mayor and an elected five member council. This financial statement presents the City of Kensington, the Municipality, and does not include its related municipal entities.

B. Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the City for the year ended December 31, 2018.

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency Funds - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

C. Regulatory Basis Of Accounting And Departure From Accounting Principles Generally Accepted In The United States Of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

D. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2018.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Funds, Trust Funds and the following:

Special Purpose Fund:
Capital Improvements Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

- A. Fund encumbrance records were not maintained during the year ended December 31, 2018 as required by K.S.A. 10-1117.
- B. The City is not aware of any other non-compliance with Kansas statutes.

3. CASH BASIS EXCEPTION

- A. Authority is authorized under K.S.A. 74-8905 and the Loan Act to issue revenue bonds for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA costs. The City had a negative unencumbered cash balance in the Water Well Project Fund at December 31, 2018, because the City must expend monies before they can receive the loan proceeds. K.S.A. 10-1116 provides an exception from a cash-basis law violation for the issuance of bonds. The City expended monies with the expectation of monies being reimbursed under conditions of the KDHE loan agreement.

4. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining County, if such an institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$305,445 and the bank balance was \$314,318. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$250,200 was covered by federal depository insurance, \$64,118 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

FROM	TO	AUTHORITY	AMOUNT
General Operating Fund	Capital Improvements Fund	K.S.A. 12-1,1118	\$ 15,000
Sewer Fund	Capital Improvements Fund	K.S.A. 12-825d	40,000
Solid Waste Fund	Capital Improvements Fund	K.S.A. 12-825d	20,000

6. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009. KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$86,439 for the year ended December 31, 2018.

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$51,737. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Other Employee Benefits

Vacation and Sick Leave

Sick leave is accumulated on the basis of eight hours for each continuous month of employment. New employees accumulate sick leave beginning with the first month following their employment date. Employees may accumulate sick leave up to ninety working days. Permanent part-time employees earn four hours of sick leave for each month worked. Accumulated sick leave is not paid upon termination of employment.

All full-time employees of the city are entitled to paid vacation. After one full year of employment, they are entitled to five working days of paid vacation. At the end of two years they are entitled to ten working days of paid vacation. At the end of ten years of employment, they are entitled to fifteen working days paid vacation. Five vacation days can be carried over to the following year. Carryover of any additional days must be approved by the City Council. Permanent part-time employees receive half as many days as full-time employees. No vacation may be taken prior to the employee's first anniversary date of employment, with the exception that an employee who has been employed for a period between six months and one year can use one day of vacation and permanent part-time employees may use a ½ day.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks.

During the year ended December 31, 2018, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three years.

9. WATER RIGHTS PURCHASE

On March 9, 2018, the City approved a resolution authorizing the City to enter into a Water Right Purchase Agreement. The City will pay the seller the sum of \$100,000 for the purchase of the well, water rights, and easements to be financed at a rate of 5% per annum, and payable over a nineteen year period. The purchase price will be paid in equal annual installments of \$7,642.33.

10. SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end through the date of this report, and does not believe any other events through the date of this report have occurred, which effect the financial statement as presented.

11. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2018	Additions	Reductions/ Payments	Ending Balance 12/31/2018	Interest/ Service Fee Paid
KDHE Loans									
KS Water Supply Loan	1.91%	7/7/16	498,540	2/1/37	\$ 334,465	\$ 99,164	\$ 6,945	\$ 426,684	\$ 5,886
Total KDHE Loans					334,465	99,164	6,945	426,684	5,886
Purchase Agreement									
Water Rights	5.00%	9/8/16	100,000	9/8/35	89,333	-	3,175	86,158	4,467
Total Purchase Agreement					89,333	-	3,175	86,158	4,467
Total Long-Term Debt					\$ 423,798	\$ 99,164	\$ 10,120	\$ 512,842	\$ 10,353

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Year	KDHE Loan		Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 139,947 *	\$ 6,521	\$ 3,335	\$ 4,308	\$ 143,282	\$ 10,829
2020	13,057	5,415	3,501	4,141	16,558	9,556
2021	13,308	5,164	3,676	3,966	16,984	9,130
2022	13,563	4,909	3,860	3,782	17,423	8,691
2023	13,823	4,648	4,053	3,590	17,876	8,238
2024-2028	73,199	19,159	23,516	14,696	96,715	33,855
2029-2033	80,498	11,861	30,012	8,199	110,510	20,060
2034-2038	79,289	3,834	14,205	1,074	93,494	4,908
	<u>\$ 426,684</u>	<u>\$ 61,511</u>	<u>\$ 86,158</u>	<u>\$ 43,756</u>	<u>\$ 512,842</u>	<u>\$ 105,267</u>

* Principal payment of \$13,253 plus \$131,544 forgiven by KDHE in January 2019 less additional advance of \$4,850 in February 2019.

CITY OF KENSINGTON, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

CITY OF KENSINGTON
Kensington, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2018

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund					
General Operating Fund	\$ 241,161	\$ -	\$ 241,161	\$ 227,246	\$ (13,915)
Special Purpose Funds					
Library Fund	6,998	-	6,998	6,876	(122)
Park & Recreation Fund	2,079	-	2,079	1,123	(956)
Special Highway Fund	15,334	-	15,334	6,935	(8,399)
Business Funds					
Swimming Pool Fund	18,853	-	18,853	16,656	(2,197)
Water Fund	151,019	-	151,019	108,906	(42,113)
Sewer Fund	83,948	-	83,948	74,391	(9,557)
Solid Waste Fund	49,663	-	49,663	47,600	(2,063)

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-1
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 78,374	\$ 78,998	\$ (624)
Delinquent Tax	1,334	3,600	(2,266)
Motor Vehicle Tax	20,494	10,586	9,908
Recreational Vehicle Tax	350	125	225
16/20M Vehicle Tax	147	381	(234)
Watercraft Tax	-	65	(65)
Commercial Vehicle Tax	3,577	684	2,893
Intangibles Tax	12,506	19,000	(6,494)
Local Alcoholic Liquor Tax	1,711	1,578	133
Franchise Tax	16,021	19,000	(2,979)
Licenses & Permits	301	1,000	(699)
Fines	158	3,500	(3,342)
Interest on Idle Funds	5,001	4,500	501
Reimbursements	94,028	15,000	79,028
Miscellaneous Receipts	6,437	5,000	1,437
Grants	3,961	15,000	(11,039)
	<u>244,400</u>	<u>\$ 178,017</u>	<u>\$ 66,383</u>
Total Receipts			
EXPENDITURES			
General Government			
Personal Services	29,046	53,000	(23,954)
Maintenance	51,866	-	51,866
Supplies	3,686	-	3,686
Office Expense	4,027	-	4,027
Utilities	20,593	20,000	593
Neighborhood Revitalization Rebate	2,243	1,648	595
Health Insurance	13,342	-	13,342
Accounting & Auditing	8,050	-	8,050
Attorney	917	1,400	(483)
Mileage	17	-	17
Contractual	60	10,000	(9,940)
Insurance	16,279	30,000	(13,721)
Grants & Donations	50	-	50
Property Taxes	4,325	8,000	(3,675)
Miscellaneous	1,048	7,357	(6,309)
Alcoholic Beverage Control	25	100	(75)
Remittances	1,565	-	1,565
Reimbursement	1,832	5,308	(3,476)
Training & Education	210	-	210
Food/Concessions	132	-	132
Machinery & Equipment	2,147	-	2,147

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-1
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
General Government			
KS League	\$ -	\$ 300	\$ (300)
NWKP	-	600	(600)
Printing & Advertising	-	1,500	(1,500)
Merchandise	-	1,000	(1,000)
Capital Outlay	-	48,605	(48,605)
Total General Government	<u>161,460</u>	<u>188,818</u>	<u>(27,358)</u>
Police			
Contractual Services	<u>4,800</u>	<u>5,000</u>	<u>(200)</u>
Streets			
Street Material	<u>185</u>	<u>-</u>	<u>185</u>
Debt Service			
System Improvements	7,642	-	7,642
Loan Principal	6,945	3,176	3,769
Loan Interest	4,808	4,467	341
Debt Service Fees	<u>1,079</u>	<u>-</u>	<u>1,079</u>
Total Debt Service	<u>20,474</u>	<u>7,643</u>	<u>12,831</u>
Swimming Pool			
Personal Services	22,327	16,500	5,827
Chemicals	-	2,000	(2,000)
Miscellaneous	-	500	(500)
Red Cross Training	-	600	(600)
Repairs	-	5,000	(5,000)
Utilities	-	1,600	(1,600)
Capital Outlay	-	2,000	(2,000)
Concessions	<u>-</u>	<u>1,500</u>	<u>(1,500)</u>
Total Swimming Pool	<u>22,327</u>	<u>29,700</u>	<u>(7,373)</u>
Grants & Donations	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Outgoing Transfer			
Capital Improvements Fund	<u>15,000</u>	<u>10,000</u>	<u>5,000</u>
Total Expenditures	<u>227,246</u>	<u>\$ 241,161</u>	<u>\$ (13,915)</u>
Cash Receipts Over (Under) Expenditures	17,154		
UNENCUMBERED CASH, January 1, 2018	<u>53,379</u>		
UNENCUMBERED CASH, December 31, 2018	<u>\$ 70,533</u>		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 5,159	\$ 5,298	\$ (139)
Delinquent Tax	91	140	(49)
Motor Vehicle Tax	1,360	686	674
Recreational Vehicle Tax	23	8	15
16/20M Vehicle Tax	11	25	(14)
Commercial Vehicle Tax	232	44	188
Watercraft Tax	-	4	(4)
	<u>6,876</u>	<u>\$ 6,205</u>	<u>\$ 671</u>
Total Receipts			
EXPENDITURES			
Appropriation to Library	6,729	6,874	(145)
Neighborhood Revitalization Rebate	147	124	23
	<u>6,876</u>	<u>\$ 6,998</u>	<u>\$ (122)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, January 1, 2018	<u>-</u>		
UNENCUMBERED CASH, December 31, 2018	<u>\$ -</u>		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

PARK & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 1,711	\$ 1,578	\$ 133
EXPENDITURES			
Contractual Services	-	\$ 2,079	\$ (2,079)
Maintenance	323	-	323
Utilities	647	-	647
Supplies	153	-	153
Total Expenditures	1,123	\$ 2,079	\$ (956)
Receipts Over (Under) Expenditures	588		
UNENCUMBERED CASH, January 1, 2018	871		
UNENCUMBERED CASH, December 31, 2018	\$ 1,459		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Special Gasoline Tax	\$ 12,096	\$ 12,280	\$ (184)
EXPENDITURES			
Contractual Services	-	\$ 13,334	\$ (13,334)
Equipment Maintenance	276	-	276
Equipment Rent	3,528	-	3,528
Supplies	259	-	259
Street Material	2,049	-	2,049
Fuel	823	-	823
Outgoing Transfer			
Capital Improvements Fund	-	2,000	(2,000)
Total Expenditures	6,935	\$ 15,334	\$ (8,399)
Receipts Over (Under) Expenditures	5,161		
UNENCUMBERED CASH, January 1, 2018	4,691		
UNENCUMBERED CASH, December 31, 2018	\$ 9,852		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018

CAPITAL IMPROVEMENTS FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfers	
General Fund	\$ 15,000
Sewer Fund	40,000
Solid Waste Fund	<u>20,000</u>
Total Receipts	<u>75,000</u>
EXPENDITURES	
Street Repairs	-
Water Line Maintenance	-
Contractual Services	<u>9,365</u>
Total Expenditures	<u>9,365</u>
Receipts Over (Under) Expenditures	65,635
UNENCUMBERED CASH, January 1, 2018	<u>34,844</u>
UNENCUMBERED CASH, December 31, 2018	<u><u>\$ 100,479</u></u>

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2018

WATER WELL PROJECT FUND

	<u>Actual</u>
RECEIPTS	
KDHE Loan Proceeds	<u>\$ 99,164</u>
EXPENDITURES	
Engineering	1,669
Other Contractual Services	<u>53,727</u>
Total Expenditures	<u>55,396</u>
Receipts Over (Under) Expenditures	43,768
UNENCUMBERED CASH, January 1, 2018	<u>(48,768)</u>
UNENCUMBERED CASH, December 31, 2018	<u><u>\$ (5,000) *</u></u>

* See Note 3, Cash Basis Exception

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

SWIMMING POOL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Admissions	\$ 5,506	\$ 7,500	\$ (1,994)
Concessions	1,785	2,800	(1,015)
Lessons	565	2,600	(2,035)
Grants & Donations	7,325	5,000	2,325
	<u>15,181</u>	<u>\$ 17,900</u>	<u>\$ (2,719)</u>
Total Receipts			
EXPENDITURES			
Utilities	3,868	\$ 3,000	\$ 868
Supplies	2,602	2,000	602
Chemicals	5,186	4,000	1,186
Concessions	1,373	1,850	(477)
Repairs	-	6,603	(6,603)
Red Cross Training	825	900	(75)
Miscellaneous	200	500	(300)
Maintenance	2,117	-	2,117
Small Tools & Equipment	285	-	285
Building & Systems	200	-	200
	<u>16,656</u>	<u>\$ 18,853</u>	<u>\$ (2,197)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(1,475)		
UNENCUMBERED CASH, January 1, 2018	<u>2,770</u>		
UNENCUMBERED CASH, December 31, 2018	<u>\$ 1,295</u>		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

WATER FUND

	Actual	Budget	Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
RECEIPTS			
Fees Collected	\$ 96,662	\$ 109,100	\$ (12,438)
EXPENDITURES			
Personal Services	44,433	\$ 30,000	\$ 14,433
Operations	-	70,557	(70,557)
Remittances	2,589	-	2,589
Capital Outlay	-	21,187	(21,187)
Sales Tax	-	2,000	(2,000)
Clearwater Tax	-	1,200	(1,200)
Principal	-	14,617	(14,617)
Interest	-	5,275	(5,275)
Service Fees	-	1,183	(1,183)
Health Insurance	13,342	-	13,342
Contract Labor	1,704	-	1,704
Repairing & Servicing	1,025	-	1,025
Rental Expense	213	-	213
Mileage	218	-	218
Other Contractual Services	75	-	75
Testing Services	4,370	-	4,370
Permits & Licenses	60	-	60
Fuel for Vehicles	2,380	-	2,380
Reimbursements	36	-	36
Maintenance	11,488	-	11,488
Supplies	10,922	-	10,922
Utilities	12,332	-	12,332
Office Expense	3,719	-	3,719
Outgoing Transfer			
Capital Improvements Fund	-	5,000	(5,000)
Total Expenditures	<u>108,906</u>	<u>\$ 151,019</u>	<u>\$ (42,113)</u>
Receipts Over (Under) Expenditures	(12,244)		
UNENCUMBERED CASH, January 1, 2018	<u>21,034</u>		
UNENCUMBERED CASH, December 31, 2018	<u>\$ 8,790</u>		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

SEWER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 41,108	\$ 50,000	\$ (8,892)
EXPENDITURES			
Personal Services	19,403	\$ 13,000	\$ 6,403
Operations	-	22,000	(22,000)
Capital Outlay	-	28,948	(28,948)
Utilities	1,384	-	1,384
Mileage	289	-	289
Training & Education	449	-	449
Permits & Licenses	210	-	210
Grounds Maintenance Supplies	2,148	-	2,148
Miscellaneous	115	-	115
Maintenance	1,695	-	1,695
Supplies	8,698	-	8,698
Outgoing Transfer			
Capital Improvements Fund	40,000	20,000	20,000
Total Expenditures	74,391	\$ 83,948	\$ (9,557)
Receipts Over (Under) Expenditures	(33,283)		
UNENCUMBERED CASH, January 1, 2018	69,064		
UNENCUMBERED CASH, December 31, 2018	\$ 35,781		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2018

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 33,487	\$ 38,000	\$ (4,513)
EXPENDITURES			
Removal of Waste	27,600	\$ 30,000	\$ (2,400)
Testing & Tipping Fees	-	2,863	(2,863)
Outgoing Transfer			
Capital Improvements Fund	20,000	16,800	3,200
Total Expenditures	47,600	\$ 49,663	\$ (2,063)
Receipts Over (Under) Expenditures	(14,113)		
UNENCUMBERED CASH, January 1, 2018	29,650		
UNENCUMBERED CASH, December 31, 2018	\$ 15,537		

CITY OF KENSINGTON
Kensington, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2018

AGENCY FUNDS

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Hospital Sales Tax	\$ 2,477	\$ 34,809	\$ 34,749	\$ 2,537
Payroll Clearing	3,111	112,397	106,985	8,523
Utility Meter Deposit	<u>5,850</u>	<u>1,100</u>	<u>1,600</u>	<u>5,350</u>
Total Agency Funds	<u>\$ 11,438</u>	<u>\$ 148,306</u>	<u>\$ 143,334</u>	<u>\$ 16,410</u>